

RURAL AREA FLEXIBILITY ANALYSIS

DEPARTMENT OF TAXATION AND FINANCE

1. Types and estimated numbers of rural areas: The purpose of these amendments is to provide comprehensive guidance with regard to the computation of tax under Article 9-A of the Tax Law for corporations that are partners in partnerships or members of limited liability companies that are treated as partnerships under Article 9-A. Some taxpayers affected by these rules may be located in rural areas throughout the State. There are 44 counties throughout this State that are rural areas (having a population of less than 200,000) and 9 more counties having towns that are rural areas (with population densities of 150 fewer people per square mile).

2. Reporting, recordkeeping and other compliance requirements; and professional services: No additional time is needed in order to comply with this rule. No additional professional service will be required to comply with this rule.

3. Costs: See Part 4 of the “Regulatory Impact Statement” for this rule. There are no variations in costs for public or private concerns in rural areas.

4. Minimizing adverse impact: The rule does not distinguish between rural areas and non-rural areas, nor is the rule explicitly designed to affect rural areas.

5. Rural area participation: The following organizations are being given an opportunity to participate in the rule's development: the Association of Towns of New York State; the Deputy Secretary of State for Local Government and Community Services; the Division of Small Business of Empire State Development; the National Federation of Independent Businesses; the New York State Association of Counties; the New York Conference of Mayors; the Small Business Council of the New York State Business Council; and the Retail Council of New York State. In addition, drafts of this rule were sent to the following: the Business Council of

New York State, the New York State Bar Association, the Association of Bar of the City of New York, the New York City Department of Finance; and the Department's working group on the taxation of corporate partners, as mentioned in the "Regulatory Impact Statement".